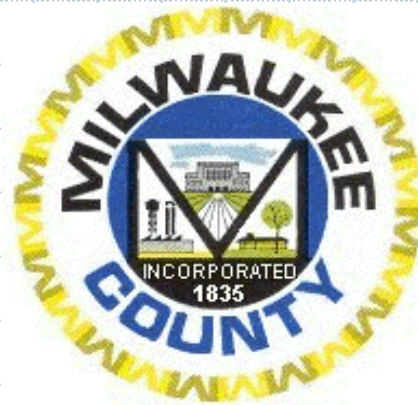


# Milwaukee County 2008 Budget Workshop

August 2007



Scott Walker  
County Executive

# *Outline for Discussion*

- ◆ County Executive's Budget Goals
- ◆ Fiscal Challenges
- ◆ Meeting the Challenge
- ◆ 2008 Budget Overview
- ◆ Budget Process
- ◆ Departmental Budget Requests

# *County Executive's Budget Goals*

- ◆ No increase in the County's total property tax levy
- ◆ Maintain core County functions
- ◆ Provide quality County services more cost-effectively

# *2008 Fiscal Challenges*

- ◆ Increased wages and social security -- \$9.1 million
- ◆ Increased employee fringe benefit costs -- \$9.5 million
- ◆ Increased pension costs -- \$5.2 million
- ◆ Increased cost of other post-retirement benefits -- \$1.8 million
- ◆ Increased general obligation debt service -- \$13.3 million

# *Meeting the Challenge - Accomplishments*

## ◆ Health Insurance

- Restructured employee co-payments to encourage use of lower cost health plans.
- Established County Employee Benefits Division which will focus on monitoring and controlling health care costs.
- An Employee Wellness and Disease Management Program is to be established by January 2008 to focus on reducing the need for health care services.
- In 2006, the County began a self-insured health insurance program with the goal of generating approximately \$18 million in savings from 2006-2009.

# *Meeting the Challenge - Accomplishments*

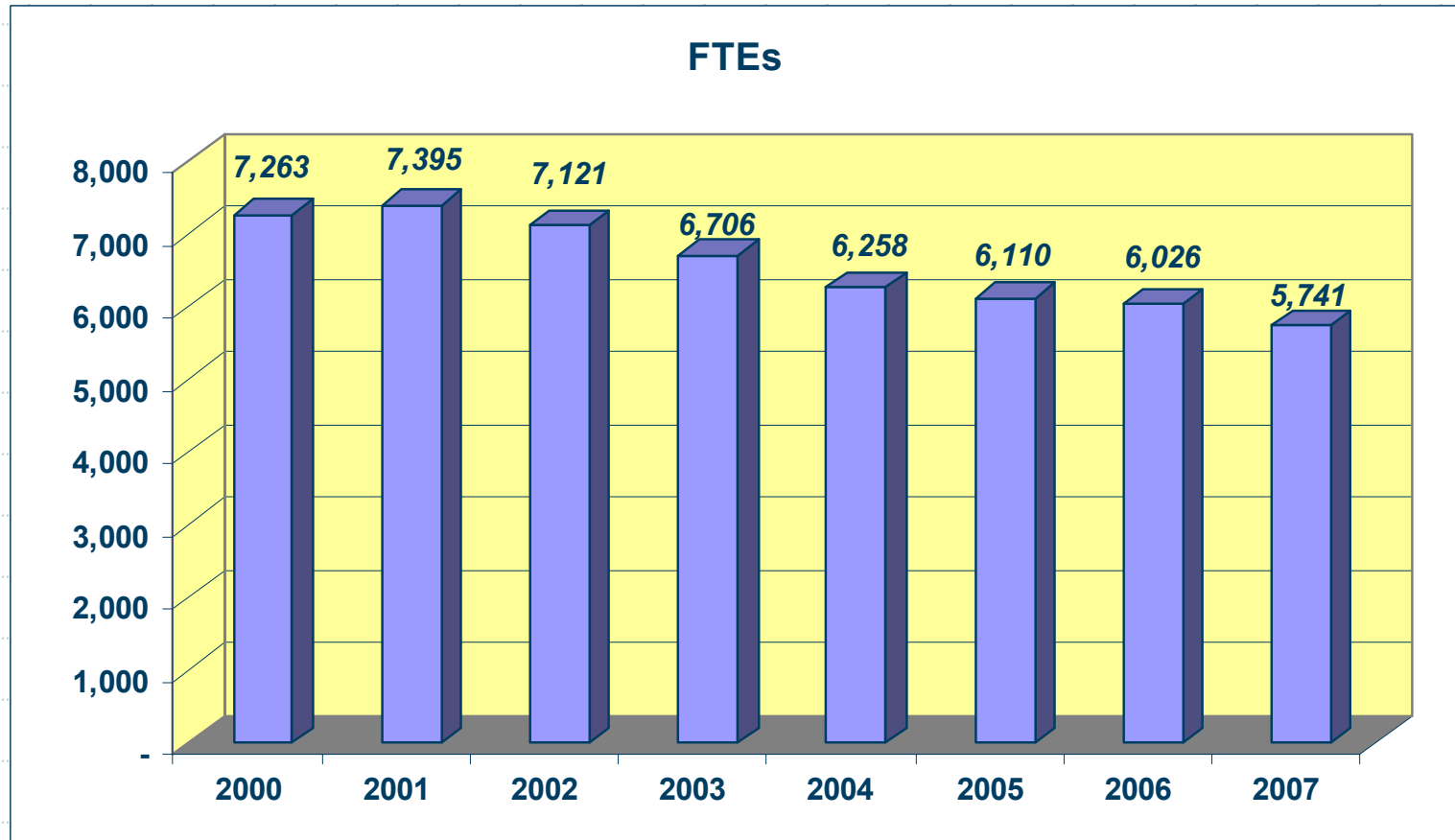
## ◆ Pension Benefits and Other Post-Retirement Benefits

- Eliminated the pension backdrop payment for all new hires.
- Reduced sick leave payouts from 100% of accumulated sick leave to 25% of sick leave accumulated after implementation date.
- County is examining alternatives to finance the unfunded pension liability, stabilize County contribution levels and gain budgetary savings.
  - ◆ Current estimated unfunded pension liability is \$329 million
  - ◆ Annual contributions towards the unfunded pension liability are \$28 million

# Meeting the Challenge - Accomplishments

## ◆ Reduction of County Workforce: 21% since 2001

- Employee wage and benefit costs account for approximately 50% of the County budget



# ***2008 BUDGET***



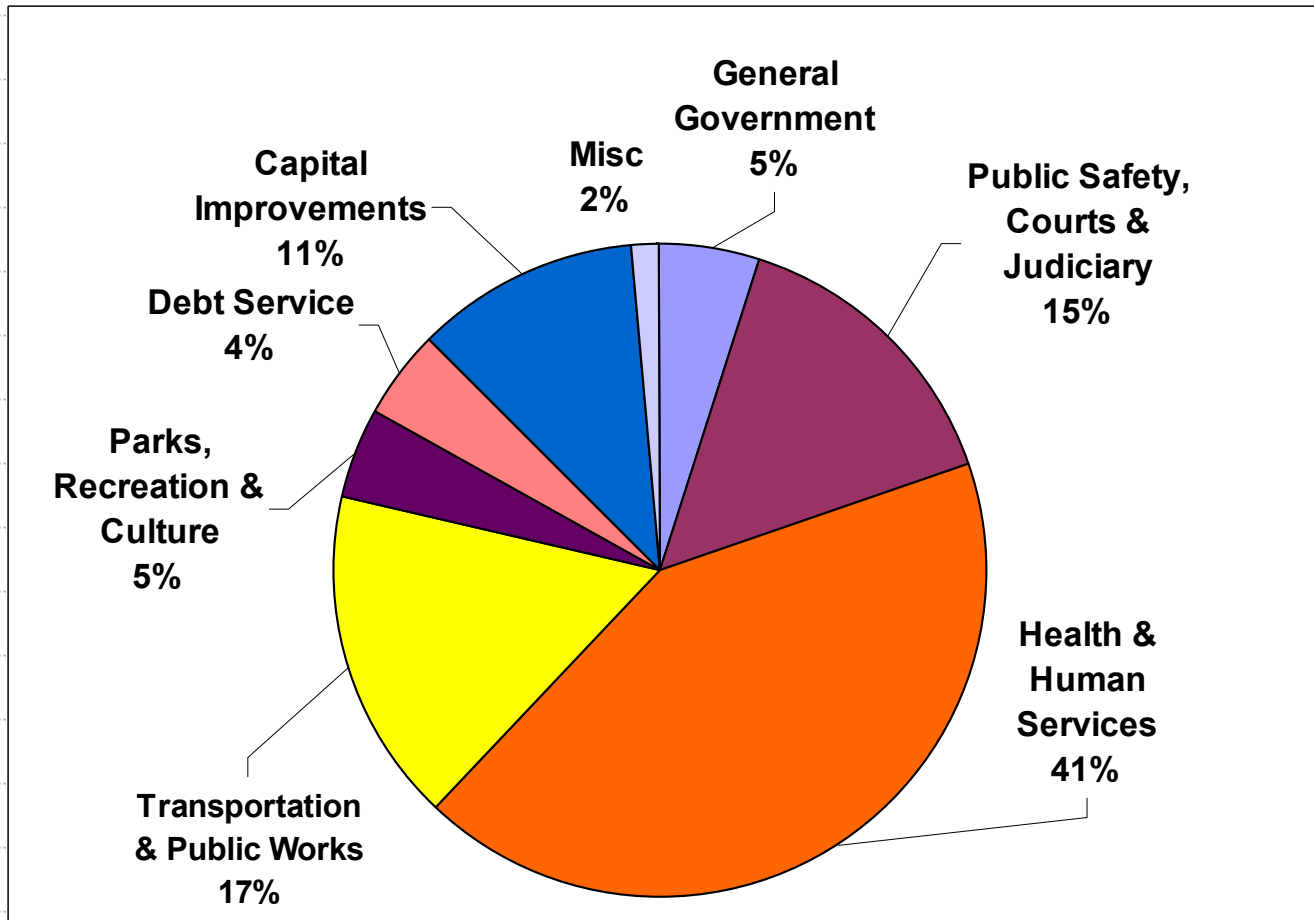
# 2008 Budget Requests from Departments

	<u>2007</u> <u>ADOPTED</u>	<u>2008</u> <u>REQUESTED</u>	<u>CHANGE</u>	<u>PERCENT</u> <u>CHANGE</u>
EXPENDITURE	\$1,283,422,797	\$1,431,082,389	\$147,659,592	11.51%
REVENUE	<u>1,042,374,951</u>	<u>1,164,289,205</u>	<u>121,914,254</u>	<u>11.70%</u>
TAX LEVY	<u>\$ 241,047,846</u>	<u>\$ 266,793,184</u>	<u>\$ 25,745,338</u>	<u>10.68%</u>

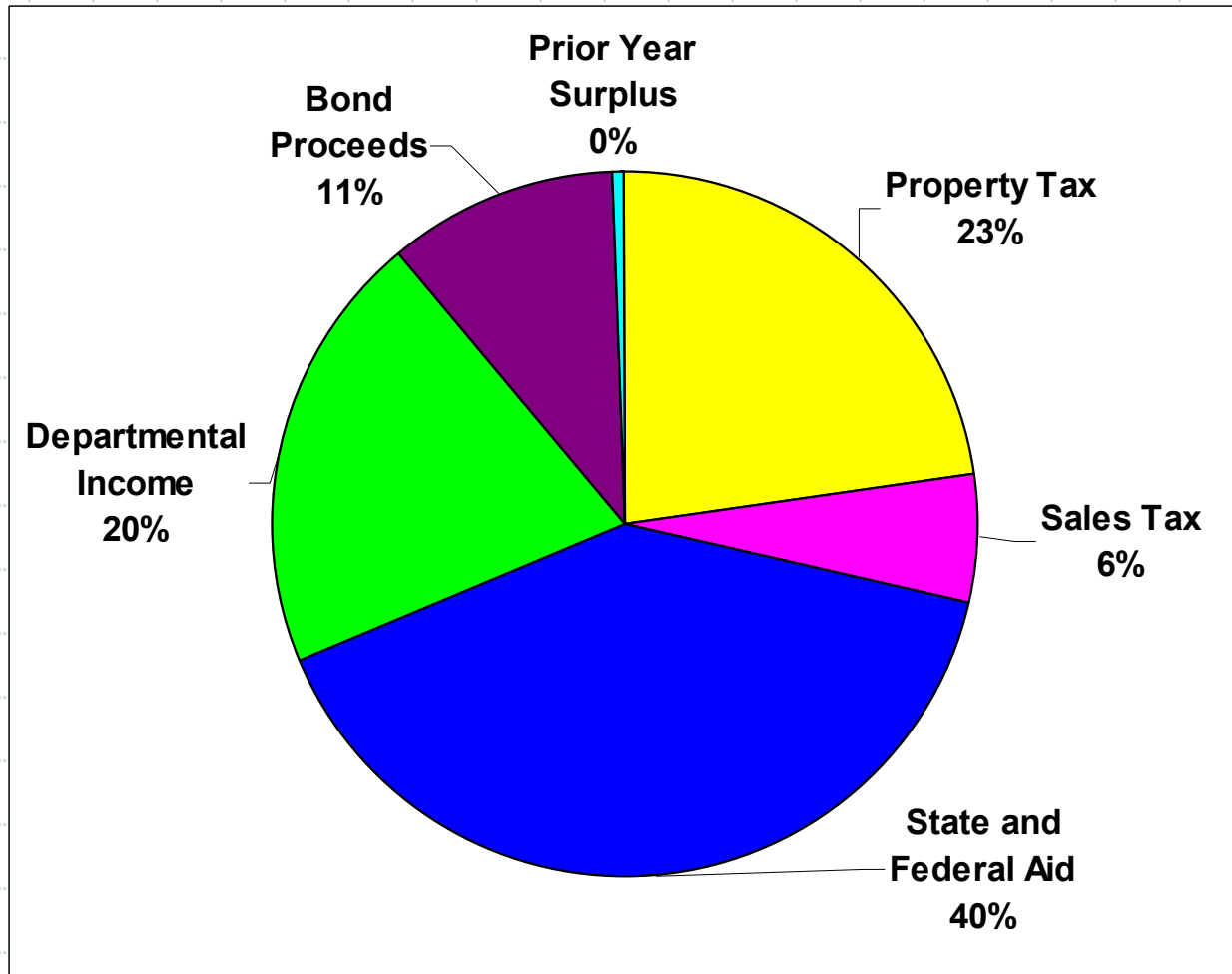
- Approval of all departmental budget requests still leaves a funding gap of \$25.7 million to balance the budget and meet the County Executive's goal of no increase in the property tax levy.

- Department requests exceed proposed state levy caps by almost \$12 million.

# 2008 Requested Expenditures by Function



# 2008 Estimated Revenues by Source



# *Milwaukee County Budget Process*

- ◆ Budget provides the financial and operational plan for County Departments to deliver public services.
- ◆ Timeline
  - Mid-June 2007: Departments submit 2008 budget requests
  - Late-September 2007: County Executive's budget is presented to the County Board
  - Mid-November 2007: County Board adopts the final 2008 budget



# *Departmental Budget Requests*

# *Department of Administrative Services*

- ◆ Administration
- ◆ Budget and Fiscal Affairs
- ◆ Risk Management
- ◆ Procurement
- ◆ Human Resources
- ◆ Employee Benefits
- ◆ Labor Relations
- ◆ Office for Persons with Disabilities
- ◆ Information Management Services
- ◆ Economic & Community Development

# Department of Administrative Services

- ◆ Requested Tax Levy \$27,418,457
  - Total Expenditures \$53,680,167
  - Percent of County Expenditures 3.8%
  
- ◆ 2008 Requests
  - Risk Management
    - ◆ Workers Compensation and Medical Malpractice self insurance costs are estimated to increase approximately \$300,000.
  
  - Procurement
    - ◆ Continues to develop partnerships between County departments and other local or regional agencies to realize savings.
  
  - Human Resources
    - ◆ Continue funding for automation of employee time-keeping and benefit management to replace staff-intensive entry of paper timesheets.

# *Department of Administrative Services*

## ◆ 2008 Requests

### ■ Employee Benefits

- ◆ This division was created in 2007 to focus on managing and controlling fringe benefit costs with an emphasis on health care costs.

### ■ Information Management Services

- ◆ Requested expenditures increased \$440,000.
- ◆ Existing vacancies for non-essential positions will remain vacant and contracted services will be reduced.
- ◆ Continued investments in newer technologies to improve efficiencies and service delivery to citizens.

### ■ Economic and Community Development

- ◆ County re-estimates of Federal aid for HUD programs results in the loss of \$2.1 million in revenue to the bottom line.
- ◆ In 2008, \$700,000 of tax levy will be required to support the administrative costs of the federal HUD programs.
- ◆ Includes \$7 million in revenue for the sale of surplus County properties.



# Department on Aging

- ◆ Requested Tax Levy
  - Total Expenditures \$2,772,433
  - Percent of County Expenditures \$207,802,742
  - 14.5%
- ◆ 2008 Request
  - Maintain service to over 7,100 seniors with no waiting lists.
  - Funding for continued operation of 31 meal sites and 5 senior centers.
  - Projected 2008 transportation services --122,000 rides to seniors for meal sites, medical transportation and individual travel.
  - Increase Family Care revenue by \$25 million due to increased enrollment and increased reimbursement rates.
  - Partnership with Medical College of Wisconsin to train professionals about the recognition and response to abuse of the elderly.
  - Achieve savings of approximately \$1.3 million by eliminating 27 vacant positions and replacing with 4 new positions.

# Department of Child Support Enforcement

- ◆ Requested Tax Levy (\$116,852)
  - Total Expenditures \$18,365,589
  - Percent of County Expenditures 1.3%
- ◆ 2008 Request
  - The Federal Deficit Reduction Act of 2005 continues to prove a challenge in maintaining services. The estimated loss of funding for 2008 is \$8.2 million.
  - The department anticipates estimated increase in State aid and the corresponding Federal match in the amount of approximately \$4.6 million in 2008.
  - Reduced Federal funding will prevent approximately 24,000 families from receiving collection assistance and result in a loss of 17% of total County collections.
  - 2008 user fees are increased to partially offset cost and maintain services.
  - Department will maintain current performance levels in paternity and order establishment services.

# *Department of Parks, Recreation and Culture*

- ◆ Requested Tax Levy \$21,325,294
  - Total Expenditures \$39,449,268
  - Percent of County Expenditures 2.8%
- ◆ 2008 Request Maintains Full Support for:
  - 150 parks and parkways
  - 15 golf courses
  - 2 indoor pools
  - 9 outdoor pools
  - 2 aquatic centers
  - Numerous wading pools
  - 5 beaches
  - 178 picnic areas
  - 23 pavilions
  - Over 178 athletic fields
  - 108 miles in nature trails
  - Mitchell Park Domes
  - Boerner Botanical Gardens
  - McKinley Marina
  - Wehr Nature Center
- ◆ Construction to begin in Lincoln Park in 2008 on third aquatic center

# *Department of Parks, Recreation and Culture*

## ◆ 2008 Request

- User Fees -- No increases in user fees in order to maintain affordable recreational opportunities.
- Equipment -- Request \$1.1 million of capital equipment to improve the efficiency of park maintenance services.
- Staff Efficiencies/Savings -- Efficiencies from capital equipment investment will create staff savings -- the Department proposes to replace 81 Parks Maintenance positions with seasonal and part-time staff, and full-time forestry employees to provide flexible staffing and achieve savings of approximately \$3.1 million.

# *Department of Parks, Recreation and Culture*

- Wading Pool Replacement and Modernization -- Replace 6 wading pools with 3 splash pads in 2008 and 3 splash pads in 2009.
- Community Centers -- Close the King and Kosciuszko Parks Community Centers for a savings of \$568,000.
- Department Management/Strategic Planning -- Restructure staff to improve efficiencies by centralizing human resource functions, creating positions that provide both labor and supervision, and provide long-term strategic planning functions.

# *Department of Parks, Recreation and Culture*

## ◆ Capital improvements (\$16.3 million):

- Replacement of 2 playgrounds and repair of other playgrounds system-wide
- Repair 4 baseball diamonds, 2 softball diamonds, 3 soccer fields, 3 basketball courts, and 3 tennis courts.
- Demolish and replace a former Coast Guard station with an open-air picnic facility along Lake Michigan.
- Golf course improvements including construction of a picnic pavilion, drainage improvements, and grounds improvements.
- Construction of three splash pads to replace aging wading pools.

# House of Correction

- ◆ Requested Tax Levy \$48,441,013
  - Total Expenditures \$56,368,627
  - Percent of County Expenditures 3.9%
- ◆ 2008 Request
  - Provide staffing and resources to house an average of 1,910 inmates per day at the House of Correction.
  - Expand the electronic surveillance monitoring program to allow for the closing of the Community Correctional Facility for an estimated savings of \$2.5 million.
  - Maintain funding for the Community Justice Resource Center which provides rehabilitative and educational services as an alternative to incarceration.

# House of Correction

## ◆ 2008 Request

- Maintain funding for the inmate industries which employs approximately 200 inmates per day and provides vocational training to inmates.
- Discontinue Farm and Fish Hatchery work program for savings of approximately \$276,000.
- Include additional revenue in 2008 of \$3.2 million for housing State inmates. The revenue will be split between the House of Correction and Sheriff's department to offset the cost of housing state inmates.



# Department of Health and Human Services – County Health Program

- ◆ Requested Tax Levy \$13,875,978
  - Total Expenditures \$55,873,682
  - Percent of County Expenditures 3.9%
  
- ◆ 2008 Request
  - Maintain General Assistance Medical Program (GAMP) funding to provide assistance to 23,000 individuals in 2008.
  - Increase GAMP revenue from hospital contributions by approximately \$5 million.
  - Maintain \$3 million County contribution for local Emergency Medical Services (EMS) providers.
  - Provide \$707,000 for the purchase of defibrillators to distribute to local EMS providers.

# Department of Health and Human Services – Behavioral Health Division

- ◆ Requested Tax Levy
  - Total Expenditures \$41,081,711
  - Total Expenditures \$168,244,607
  - Percent of County Expenditures 11.8%
- ◆ 2008 Request
  - Requires increased tax levy support by approximately \$2.3 million in 2008 to maintain quality inpatient, nursing home, and community-based services to BHD clients.
  - Expenditure reduction of \$750,000 due to contractual savings in both clinical and non-clinical services.
  - Maintain funding for Crisis Services which has seen a 14.2% increase in the number of contacts from 2001-2006.
  - Maintain funding for acute inpatient hospital services which has seen a 27.6% increase in admissions from 2001-2006.
  - Continue the Access to Recovery (Wiser Choice) grant program enabling the County to assist 6,000 individuals per year with alcohol and other drug abuse treatment.

# Department of Health and Human Services – Other Divisions

◆ Requested Tax Levy	\$19,073,670
■ Total Expenditures	\$190,919,017
■ Percent of County Expenditures	13.3%

## ◆ 2008 Request

### ■ Delinquency in Courts

- ◆ State costs for housing juveniles in state juvenile correctional institutions increase from \$209 per day to \$268 per day in 2008, increasing Milwaukee County costs by approximately \$7 million. It is unclear if the State will increase Youth Aids funding to offset the increase.
- ◆ Eliminate funding for the Youth Sports Authority program for a savings of \$145,000.
- ◆ Maintain capacity to serve over 300 serious juvenile offenders in community-based programs.
- ◆ Increase tax levy support for Firearm Offender Supervision program by \$114,000 to maintain slots for 60 participants.

# Department of Health and Human Services – Other Divisions

## ■ Disability Services

- ◆ Eliminate funding for purchase of advocacy services for guardians and family members for a savings of \$176,000.
- ◆ Continue emphasis on Long-Term Care redesign project to better serve individuals with disabilities under the age of 60.
- ◆ Maintain funding for services to over 3,000 children annually, ages birth-to-three, with disabilities and developmental delays.
- ◆ Maintain funding and case management through Home and Community-based waivers for approximately 2,500 individuals with developmental and physical disabilities.
- ◆ Maintain funding of \$250,000 for the Crisis Residential Service for Long-term Care clients.

# Department of Health and Human Services – Other Divisions

- Economic Support Division
  - ◆ Eliminate 24 Income Maintenance positions for a savings of \$956,215.
  - ◆ Eliminate the Interim Disability Assistance Program resulting in a \$176,000 reduction of tax levy funding.
  - ◆ Eliminate funding for the 211 Human Services phone line operated by IMPACT Alcohol and Drug Abuse Services.
  - ◆ Maintain services for approximately 102,000 clients across all program areas including Medical Assistance, Child Care, Family Care, Nursing Home Programs, and Energy Assistance.
  - ◆ Addition of nine positions to staff the Child Care Fraud Unit which will investigate child care fraud as well as provide customer service to parents.

# *Department of Transportation & Public Works*

## *(Excluding Airport)*

- ◆ Requested Tax Levy \$37,966,486
  - Total Expenditures \$174,745,000
  - Percent of County Expenditures 12.2%
  
- ◆ 2008 Request
  - Facilities Management and Architectural Engineering Services
    - ◆ Provide approximately \$7.9 million for Courthouse Complex improvements
  
  - Fleet Management
    - ◆ Provide \$2.2 million for the replacement of vehicles and equipment on behalf of various County Departments: \$819,600 for Parks, \$719,000 Highway, \$362,600 for Sheriff and \$307,700 for Zoo, Facilities, District Attorney and Behavioral Health. Bond proceeds are used to fund vehicle replacements and are repaid over a 4-year period.

# *Department of Transportation & Public Works*

## *(Excluding Airport)*

### ◆ 2008 Request

#### ■ Highway Maintenance and Transportation Services

- ◆ Flat funding for State General Transportation Aids for the maintenance of county roads in 2008 (\$2.6 million).
- ◆ Provide \$22.7 million in county roadway improvements. Approximately half of these improvements will be funded with state and federal aid with the other half funded with bond proceeds.

#### ■ Transit and Paratransit System

- ◆ Increase Federal and State aid for the Transit System by approximately \$1.8 million in 2008.
- ◆ Reduce property tax support for transit by approximately \$900,000 bringing total tax support to \$20,259,648 in 2008.
- ◆ Projected 2008 funding gap of \$10.0 million resulting from:
  - Reduced ridership revenue
  - Increased funding for estimated retiree sick leave payouts.
  - Inflationary increases for workers compensation, employee health care, fuel, wages and other items.
  - Increased costs related to other post employment benefits (OPEB).

# Department of Transportation & Public Works (Excluding Airport)

## ◆ 2008 Request

### ■ Transit and Paratransit System (continued)

- ◆ Proposed route eliminations for bus service and service area modifications for paratransit service results in an estimated savings of \$8.4 million
- ◆ Proposed fare increases:
  - Adult cash fare \$ .25
  - Half fare cash rides \$ .15
  - Half fare ticket book \$1.50
  - Premium cash fare \$ .25
- ◆ Paratransit costs are projected to increase from \$19.77 per ride in 2007 to \$21.36 per ride in 2008.
- ◆ To offset projected cost increases in paratransit, the department proposes to limit paratransit service to within  $\frac{3}{4}$  of a mile of fixed route bus service, as required by Federal law and to increase paratransit fares from \$3.25 to \$4.00 per one-way trip.



# Department of Transportation and Public Works - Airport

- ◆ Requested Tax Levy (\$2,900,607)
  - Total Expenditures \$70,893,925
  - Percent of County Expenditures 5.0%
  
- ◆ 2008 Request
  - Increase revenue of \$6.7 million due to adjustments in rates and charges necessary to comply with the airport-airline lease.
  
  - \$1.9 million of the \$2.9 million tax levy surplus will be contributed to the County bottom line in accordance with the 25-year master lease agreement. The contribution represents a repayment to the County for the payment of debt service on the terminal expansion.
  
  - Includes the operation of 2 newly completed concourses which includes the 6 additional gates.
  
  - Phase I of the in-line baggage security system will continue in 2008.

# Zoological Department

- ◆ Requested Tax Levy \$5,372,267
  - Total Expenditures \$21,773,434
  - Percent of County Expenditures 1.5%
  
- ◆ 2008 Request
  - Includes revenues and expenditures related to the operation of The Gathering Place opening in 2008.
  - Includes funding to continue the special sting ray and sharks exhibit and for the return of the flamingos in 2008.
  - Increase admission fees by \$.50 to generate additional revenue of \$331,000.
  - Increase parking fees by \$1.00 to generate additional revenue of \$249,000.
  - Capital improvement project requests total \$4 million.

# Medical Examiner

- ◆ Requested Tax Levy \$2,800,389
  - Total Expenditures \$3,764,390
  - Percent of County Expenditures 0.3%
  
- ◆ 2008 Request
  - Agreement with the Medical College of Wisconsin to supervise pathology training for an annual fee of \$95,000.
  
  - Contract with Ozaukee County to provide autopsy services for estimated annual revenue of \$45,000.
  
  - Eliminate one forensic investigator position for annual savings of \$78,000.

# Other Departmental Budgets

## 2008 Requested Tax Levy

### ◆ Legislative and Executive

■ County Board	\$5,677,329
■ Department of Audit	\$2,453,145
■ County Executive	\$1,092,532
■ Veterans Services	\$296,738
■ Community Business Development Partners	\$468,486

### ◆ Courts

■ Combined Court Related Operations	\$29,070,252
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## *Other Departmental Budgets*

### 2008 Requested Tax Levy

#### ◆ General Government

■ Corporation Counsel	\$1,655,018
■ Ethics Board	\$56,931
■ Civil Service Commission	\$60,240
■ Personnel Review Board	\$179,713
■ Election Commission	\$975,000
■ County Treasurer	\$(89,993)
■ County Clerk	\$286,485
■ Register of Deeds	\$(1,699,415)

## Other Departmental Budgets

### 2008 Requested Tax Levy

#### ◆ Public Safety

■ Office of the Sheriff	\$60,554,579
■ District Attorney	\$10,261,940

#### ◆ Cultural Institutions

■ Milwaukee County Historical Society	\$242,550
■ Visit Milwaukee	\$25,000
■ War Memorial Center	\$1,504,594
■ Villa Terrace/Charles Allis	\$247,256
■ Marcus Center for Performing Arts	\$1,280,000
■ Federated Library System	\$66,650
■ Milwaukee County Fund for the Arts	\$377,688
■ Milwaukee Public Museum	\$3,502,376
■ University Extension	\$207,399